



Business Process Re-Engineering at DESC

Saving Time and Money through
more Efficient Work Methods



Introduction



- The Defense Energy Support Center originally acted as the fuel purchasing agent for DoD.
- A Congressional mandate required DESC to become the purchasing agent for all DoD fuel worldwide.
- DESC handled over 5.5 million sales transactions in FY 2002. Net sales for FY 2002 topped \$5.7 billion, and DESC awarded \$ 6.2 billion in contracts in FY 2003.¹

¹ Defense Energy Support Center (DESC) Fact Book, 2002, 2003.



Introduction



- Indications were that DESC's legacy systems would not be able to process the volume of transactions that would result from taking over global DoD fuel purchasing.
- Consequently, a new automated fuel management system was obtained and implemented.



Introduction



- Why Business Process Re-Engineering?
- The Clinger Cohen Act requires DESC to review and revise business processes before making significant investments in information technology.²
- After the first phase of implementation it became apparent that end user business requirements must be considered in follow-on phases (see systems integration map next over next 3 pages).

²Information Technology Management Reform Act of 1996 (Division E of Public Law 104-106), February 10, 1996.



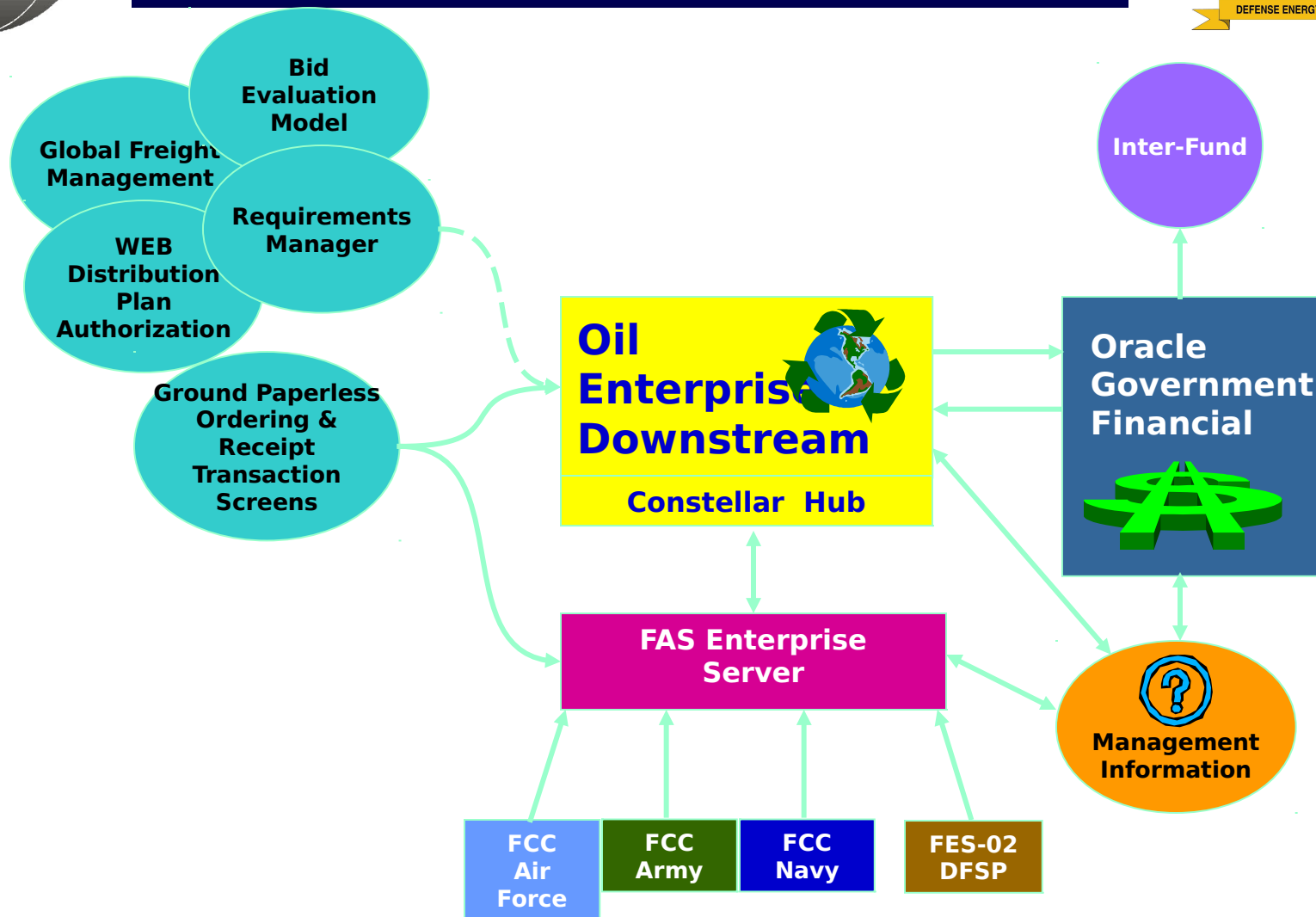
Business Process Definition



- To ensure business requirements were captured, teams of subject matter experts met with a facilitator to document their workflows.
- SMEs learned about the interaction of each other's tasks during the meetings.
- The results included better communication among workgroups, increased responsiveness, and increased efficiency



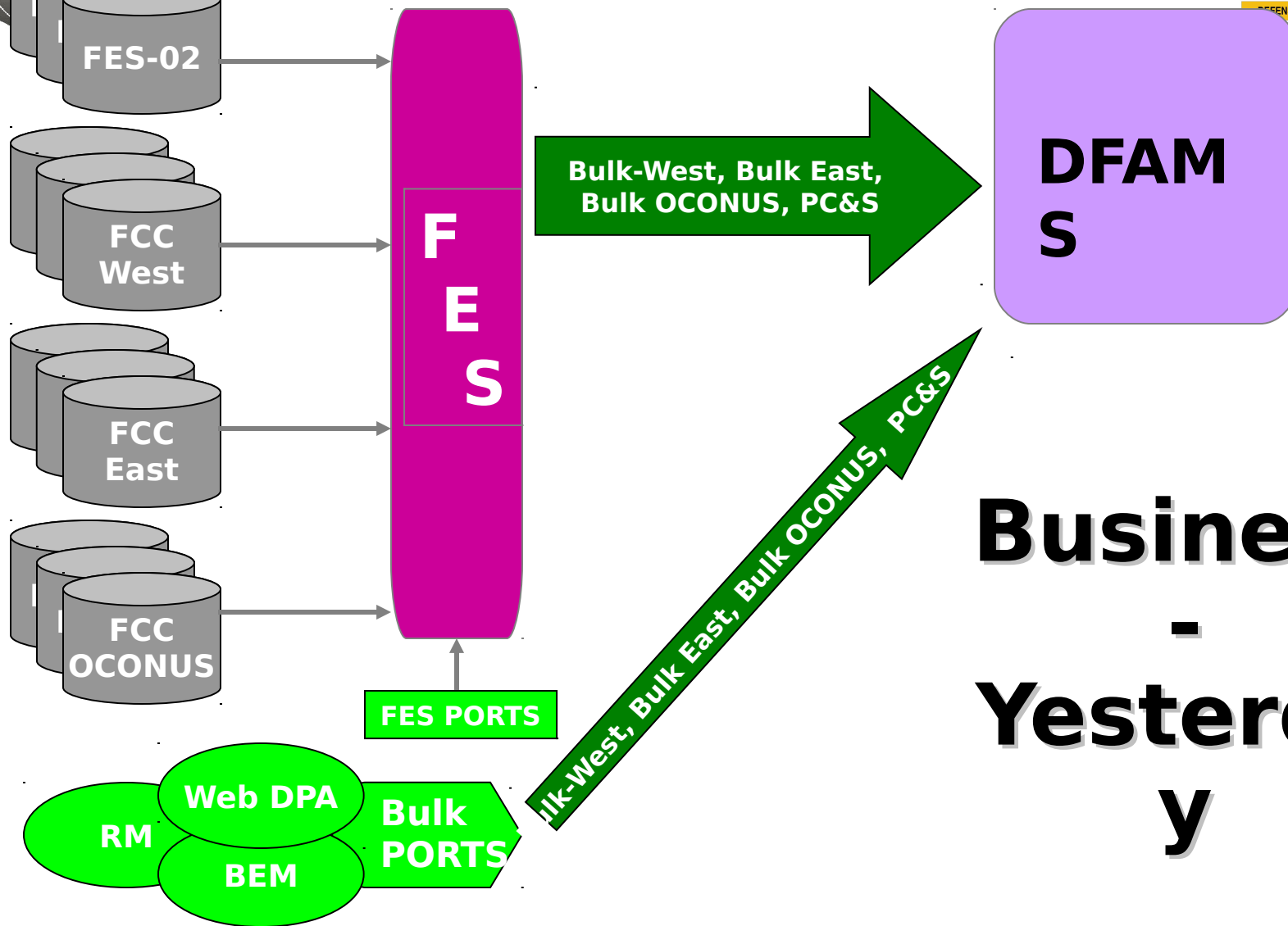
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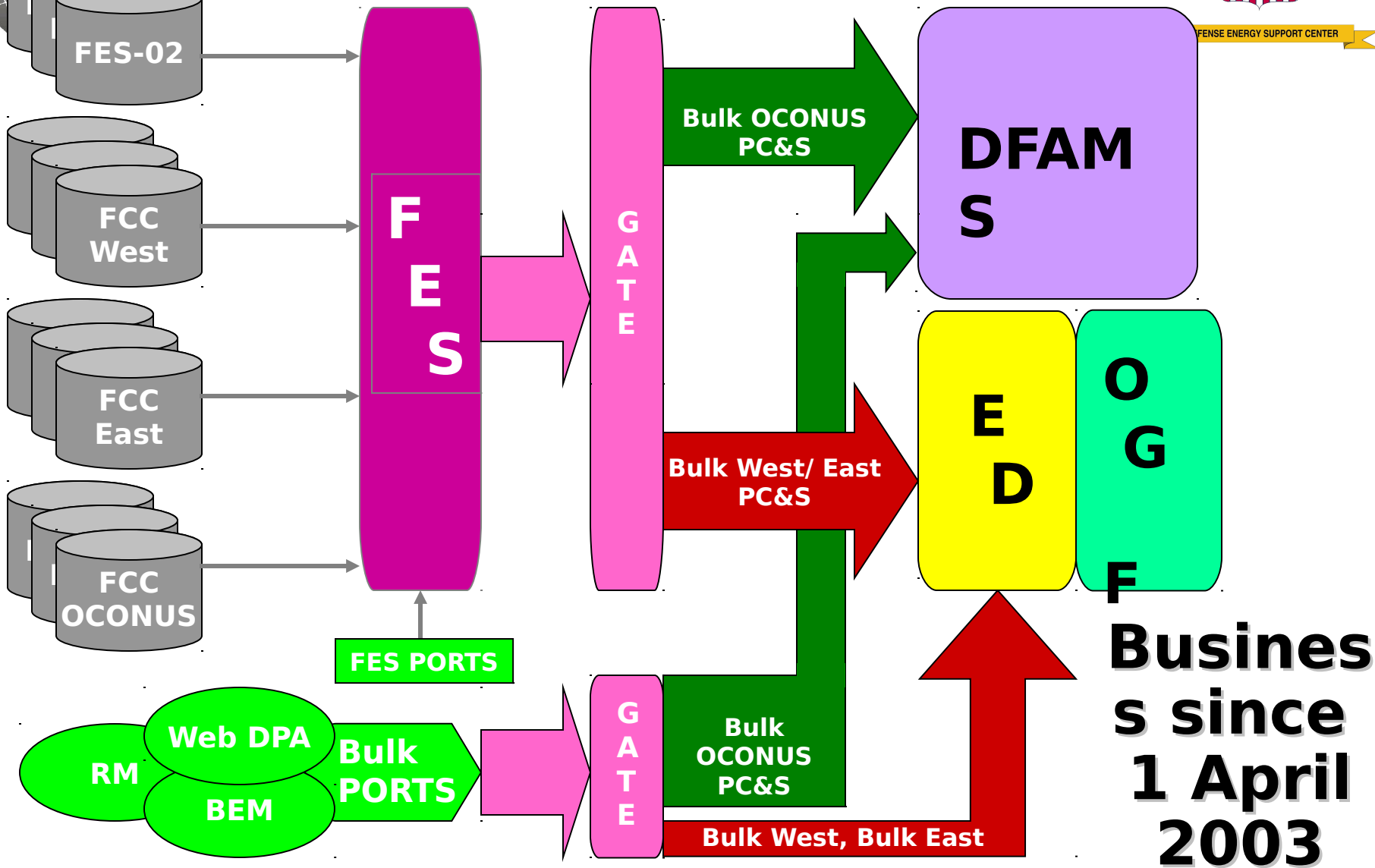
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Business Process Definition



- Business processes were documented by the facilitator in real time, using process mapping software.
- SMEs were able to make changes and process improvement suggestions as the diagrams were created.



Business Process Definition Management Review



- Business unit managers reviewed the SMEs' completed business process flows for accuracy.
- Managers had the opportunity to resolve problem spots or make process decisions where needed.
- Managers became vested in the process improvement effort, and could lobby knowledgeably for software changes when required.



Business Process Definition Gap Analysis



- Upon management approval, the facilitator and SMEs reviewed the business process flows with the system programmers to determine:
 - the business requirements that the system could be configured to fulfill,
 - those the system could not fulfill, and
 - what work-arounds might be necessary.



Business Process Definition Gap Analysis



- A collaborative approach ensured solutions that met end user requirements while being technically realistic.
- This approach helped DESC achieve the full benefit of the software, and comply with the Clinger Cohen mandate to adapt business processes to software capabilities where possible.



Business Process Re-Engineering



- After the legacy business processes were described, it was possible to review them for efficiency.
 - Steps that did not fulfill business requirements could be deleted,
 - More efficient processes that fulfilled similar requirements could be used as models for others, and
 - Processes could be reconfigured to better meet the needs of process customers.



Business Process Re-Engineering



- In one case it was found that a 58 page order and receipt process document could be reduced to eight by following the model of another business unit.
- The process was not only found to be simpler, but did not require the use of a legacy computer system thereby saving programming, maintenance, and operations costs.



Business Process Re-Engineering



- The visibility into the nature of the business processes provided by the flow charts allowed for standardization of business processes across business units.
- Standardization reduces training, costs, and errors.



Conclusion



- Relying on existing organizational knowledge, getting an outside perspective, and making business processes visible can be used to yield major improvements in cost, efficiency, and employee work life.



What's next?



- Q & A

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